

SENATE BILL 454

By Watson

AN ACT to amend Tennessee Code Annotated, Title 4;  
Title 8 and Title 56, relative to paid family leave.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, is amended by adding Sections 2 through 6 as a new part:

SECTION 2.

This part is known and may be cited as the "Tennessee Paid Family Leave Insurance Act."

SECTION 3.

The purpose of this part is to create a new line of insurance, known as paid family leave insurance, under which an insurer licensed to engage in the business of life insurance or disability income insurance in this state may issue policies covering against risk related to paid family leave.

SECTION 4.

As used in this part:

(1) "Child" means a biological, adopted, or foster son or daughter; a stepson or stepdaughter; a legal ward; a son or daughter of a domestic partner; or a son or daughter of a person to whom the employee stands in loco parentis who is either:

(A) Under eighteen (18) years of age; or

(B) Eighteen (18) years of age or older and incapable of self-care because of a mental or physical disability;

(2) "Employee" means an individual for whom an employer must complete a Form I-9 pursuant to federal law and regulations, and does not include an independent contractor;

(3) "Family leave insurance" means an insurance policy issued to an employer related to a benefit program provided to an employee to pay for a percentage or portion of the employee's income loss due to:

(A) The birth or adoption of a child by the employee;

(B) Placement of a child with the employee for foster care;

(C) Care of a family member of the employee who has a serious health condition; or

(D) The status of a family member of the employee who is a service member on active duty or who has been notified of an impending call or order to active duty;

(4) "Family member" means:

(A) A child, spouse, or parent; or

(B) Another person defined as a family member in a policy of insurance issued under this part;

(5) "Serious health condition" means an illness, injury, impairment, or physical or mental condition, including transplantation preparation and recovery from surgery related to organ or tissue donation, that involves inpatient care in a hospital, hospice, or residential healthcare facility, continuing treatment or continuing supervision by a healthcare provider as defined in an insurance policy issued under this part; and

(6) "Service member" means a member of the United States armed forces in active military service.

## SECTION 5.

(a) Family leave insurance may be written as:

(1) An amendment or rider to a group disability income policy or life insurance policy, included in a group disability income policy or life insurance policy; or

(2) A separate group insurance policy purchased by an employer.

(b) Notwithstanding this title to the contrary, an insurer licensed in this state to sell life insurance or disability income insurance may issue a policy of family leave insurance in accordance with rules adopted by the commissioner.

(c) The commissioner may promulgate rules to carry out this part and authorize the sale of family leave insurance in this state. The rules must be adopted in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

## SECTION 6.

A policy of insurance issued under this part must set forth the details and requirements with respect to each reason an employee is entitled to take family leave under the policy.

SECTION 7. For purposes of promulgating rules and carrying out administrative duties necessary to effectuate this act, this act takes effect upon becoming a law, the public welfare requiring it. For all other purposes, this act takes effect on January 1, 2024, the public welfare requiring it, and applies to policies entered into, amended, or renewed on or after that date.